

From the Program Director

John H. Broussard
Business and Cooperative
Programs Director

It is with great pride that I share with you the inaugural issue of **Business Line**. Through this quarterly publication, USDA Rural Development will keep you informed and up-to-date on any changes in our business and cooperative programs as well as provide you with news of our ongoing program delivery activities.

This first issue of **Business Line** will be distributed by mail and e-mail; however, in coming months, this will change to only e-mail distribution. Please share your copy of this newsletter with any interested party and encourage them to contact us with their e-mail address to ensure delivery of future issues.

Drop me an e-mail and let me know what topics you would like to see covered in coming issues of **Business Line**. I want this newsletter to be a valuable tool for you and your organization.

My e-mail address is:
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I look forward to hearing from you—and working with you!

Business and Industry (B&I) Guaranteed Loan

The Business and Industry (B&I) Guaranteed Loan Program helps create jobs and stimulates rural economies by providing financial backing for rural businesses. This program provides guarantees up to 80 percent of a loan made by a commercial lender. Loan proceeds may be used for working capital, machinery and equipment, buildings, and real estate, and certain types of debt refinancing. The primary purpose is to create and maintain employment and improve the economic climate in rural communities. This is achieved by expanding the lending capability of private lenders in rural areas, helping them make and service quality loans that provide lasting community benefits. This program represents a true private- public partnership.



USDA Rural Development provided a Loan Note Guarantee to Bank One for Janise's Supermarket in Sunset, Louisiana.

For more information on the Business and Industry Guaranteed Loan Program, visit the USDA Rural Development website for business programs:

<http://www.rurdev.usda.gov/rbs/>

Assistance under the B&I Guaranteed Loan Program is available to virtually any legally organized entity, including a cooperative, corporation, partnership, trust, or other profit or nonprofit entity, Indian tribe, or Federally recognized tribal group, municipality, county, or other political subdivision of a state. Applicants need not have been denied credit elsewhere to apply for this program.

Business and Industry Guaranteed Loan Program Loan Limitations

- 80 percent guarantee up to \$5,000,000
- 70 percent guarantee up to \$10,000,000
- 60 percent guarantee beyond \$10,000,000 not to exceed a total loan amount of \$25,000,000

Maximum Repayment Terms

- Working capital—7 years
- Machinery and equipment—15 years (or useful life)
- Real estate—30 years

**Take
Note**



John H. Broussard, Business and Cooperative Programs Director, and Steve Dowden, Area Director, visit Janise's Supermarket in Sunset, Louisiana. As a result of this USDA Rural Development B&I Guaranteed Loan, 20 new jobs were created and 45 jobs were saved.



What's New in FY 2005?

- An interim final rule was published in the Federal Register on November 9, 2004, providing for a simplified application form for loans up to \$600,000. Form RD 4279-1a will be available soon via our website: <http://www.rurdev.usda.gov/>
- Louisiana's Guaranteed B&I Funding Allocation is \$10,917,000.
- National Office reserve funding can be requested for bi-monthly release to states with eligible competitive projects.
- Loan priorities listed within regulations need to be addressed with all applications in order to compete for funding.
- Only projects with a loan priority score of 35 or more will compete for National Office reserve funding.

What is Rural?

USDA Rural Development invests financial resources and provides technical assistance to businesses and cooperatives located in rural communities. Rural areas include all areas other than cities of more than 50,000 people and the contiguous and urbanized area of such cities or towns. Please visit our website <http://www.rurdev.usda.gov/rbs> to find out more about our B&I Guaranteed Loan Program.

Address Updates, Questions, and Comments

Please send any comments, questions, or address changes to: John H. Broussard, Business and Cooperative Programs Director, USDA Rural Development, 3727 Government Street, Alexandria, Louisiana 71302, john.broussard@la.usda.gov, telephone (318) 473-7960, fax (318) 473-7829. e-mail: john.broussard@la.usda.gov

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USDA Rural Development Business Programs Include:

Business and Industry Guaranteed Loan Program, Intermediary Relending Program, Rural Business Enterprise Grant Program, Rural Business Opportunity Grant Program, Rural Economic Development Loan and Grant Program, Special Initiatives, and Cooperative Services. For more information about these financial opportunities, please visit our web page at: <http://www.rurdev.usda.gov/> or call our State Office at (318) 473-7960.